

A Conceptual Framework for Managing Municipal Finances in South Africa

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Abstract : As a post-apartheid strategy to redress the social imbalances of the past, local governments are tasked with the role of delivering crucial services to their constituents. Apart from political instability, evidence shows that managers in South African municipalities lack effective financial management skills and competencies. This resulted in a failure to fulfill its administrative obligations, particularly municipal financial management. Most municipalities have, however, failed in this role, which has led them to be placed under administration by the provincial government in terms of Section 139 of the constitution of the Republic of South Africa. Thus, this study proposed a leadership conceptual framework for effectively managing ever-eroding municipal finances in South Africa. The study adopted a desktop research approach to explore the key components of leadership and municipal financial management toward the development of the conceptual framework. The study fostered a better understanding of the need for transformation in relation to the current financial management practices and sustainability of a municipality. Moreover, the conceptual framework applies not only to municipalities but also to other government departments and public authorities in the country for financial management.

Keywords : leadership, municipal finance, financial performance, management skills, municipality

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